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OF COMMERCE & INDUSTRY

THE CHALLENGE OF INNOVATION

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Today everything is so connected and time to market so short, that the only real competitive advantage that has slowly crept up on us, is innovation. The surge of interconnected ICT has also fuelled the fire.

The germination of an innovation begins with an insight. I define insights as “an understanding that can be leveraged for a result in a certain dimension (time and space)”. For example, how would you ask a class of first year college students to keep quiet? This is their first foray into a world where they feel free and obeying authority is not high on their agenda. Well, I found that if you said – at the top of your voice – “Concerning the exam,” you could literally hear a pin drop. This was based on an insight which is an understanding (that they would hate to study something that was not in the exam) that could be leveraged for a result (silence) in a certain dimension (in the classroom before the exams).

However, when it comes to innovation, having insight means more than finding out what people’s needs are, because even though you would be bringing a new solution to their lives, they judge new innovations on what has gone before. As Henry Ford stated: “If I asked people what they wanted, they would have just said a faster horse”. So it’s no wonder that cars are still rated in horsepower today.

Even though the advantages of your innovation may be overt, there is always a resistance to change – positive or negative. So when bringing something new onto the market you need to anticipate that there will be barriers to its introduction. However, perhaps one should have the mindset that this is a good sign – if it was easy then anyone could do it.



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Solutions should not be seen in isolation. There is an ecosystem that needs to be in place to ensure that the innovation gets adopted. There were lots of MP3 players on the market when the iPod came out, but Steve Jobs ensured that there was a total ecosystem to support it, and in this case it was access to music with iTunes.

When I bought a Mini I was comforted by that fact that it had run-flats which allowed you to ride up to 50 km, after which it could be repaired. However, when I got my first puncture, which required that I travel less than 5 km to get it fixed, I was told by the fitment centre that it was beyond repair and needed to buy a new one. I thought this was just an unfortunate incident – until I got my next flat. This time I was told that I would need to replace two tyres, as they would be unbalanced if I just changed the one. I have since discovered the problem: repairing a run-flat required specialised equipment and training which neither of these dealers had. There was no ecosystem to support, in this case, the maintenance of the innovation.

Design is an important aspect of innovation today, and is one that is often neglected. With the rate of innovation and the quantity of information, you need to be sensitive to how you communicate your innovation to the market. An elegant example of strategic design is the simple homepage of Google that meets its strategic mission: ‘To organise the world’s information and make it universally accessible and useful’.

Timing is also an issue affecting the success or failure of a new product or service. For example, Leonardo da Vinci designed a helicopter in the 1500’s. It could only be implemented when technology caught up.

Where innovators often stumble is on the last hurdle – marketing. You need to get your message out to the right target market, otherwise it’s like winking in the dark: you know what you’re doing, but nobody else does.

I have been approached by innovators who tell me they have a great idea, and when I ask to hear about it, I am told that it is confidential. One has to balance up the aspect of secrecy with getting feedback from others. There is



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no formula here, because the confidentiality might be valid, however getting feedback is crucially important. You also need to judge feedback from whence it comes. People can't always see your vision, so they're making comments based on what they know. It's a delicate balance between taking people's opinions into account with the raw determination of just getting the innovation on the market. Fred Smith did not get top marks at business school when he submitted his paper on FedEx.

The concept of Strategic Intent was proposed by Hamel and Prahalad in the Harvard Business Review as far back as 2005. It states that companies that had risen to global prominence in the preceding 20 years did so because their ambitions were out of all proportion to their resources. They did what they had to do, not what they could do. Canon is a great example: they were totally unrealistic with their expectations to produce an inexpensive printer, but managed to accomplish that and become a major player in the reprographics market, capturing market share from Xerox, the dominant player at the time.

No matter what your innovation might be, at the end of the day I believe it comes down to people – having the right network to bring your innovation to light.

About the author

Sid Peimer is the Executive Director of the Cape Chamber of Commerce & Industry. His book 'The Clear Win: Pitching for new business – the strategies that work; the myths that don't' can be found on Amazon here

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